



City of San Diego



CARL DEMAIO
CITY COUNCILMEMBER – DISTRICT 5

SHERRI S. LIGHTNER
CITY COUNCILMEMBER – DISTRICT 1

MEMORANDUM

DATE: May 13, 2010

TO: Eduardo Luna, City Auditor
Audit Committee Members
Honorable Mayor and City Council

FROM: Councilmember Sherri S. Lightner 
Councilmember Carl DeMaio 

RE: Performance Audit of Solar Permit Fee Assessments, Photovoltaic (PV)
Review and Inspection Streamlining

As you prepare your Audit Work Plan for FY 2011, we respectfully request the inclusion of a performance audit on the Solar Permit Program and associated cost recovery fees.

In January of 2010, the sharp increase in cost for the City of San Diego's Solar Permit Fees began to receive an increasing amount of attention.¹ One particularly troublesome aspect of this fee increase is the apparent disincentive being provided to residents that may be considering the installation of solar panels in their home. This disincentive is in direct conflict with the City's efforts to promote investment in "conservation improvements" through the pending Clean Generation financing program.

On March 4, 2010, the Development Services Department provided the Mayor and City Council with a memorandum that outlines "the changes the department will be making in order to streamline PV permit and inspection processes and thereby lower costs, which in turn enable the Department to recalculate plan check and permit fees."²

¹ "S[an] D[iego]'s solar permit fee now 6 times more expensive." *San Diego Union-Tribune*, January 11, 2010. <http://www.signonsandiego.com/news/2010/jan/11/sd-solar-permit-fee-6-times-more-expensive/>

² Memo from Kelly Broughton to Mayor Jerry Sanders. March 4, 2010.

These changes outlined by the Development Services Department appear to be in line with the overall policy goal of promoting individual investment toward energy sustainability. However, the City should also actively search for methods to reduce its own costs associated with the solar permitting process, thereby allowing for a reduction in the "cost recoverable" solar permit fee.

In order to help identify possible cost reductions on the part of the City, we request a performance audit of the Development Services Department's Solar Permit process in the FY 2011 Audit Work Plan.

This performance audit could examine cost reduction strategies that have been utilized by other municipalities and government entities, as well as potential partnerships with non-governmental agencies such as utility companies. Such an audit may identify opportunities for streamlining the permitting and inspection process for residents, while at the same time reducing costs for the City.

We appreciate your consideration of this request, and look forward to working with you to craft the scope of the performance audit.